

Overview

- Group last met on May 11th to examine two proposals:
 - Voluntary Smart Planning
 - City Centered Growth Planning
- Focus of this meeting is on Track II projects. In addition, a discussion of the implementation of AB 857 and the idea of integrating state planning priorities will be added as a third concept to be explored throughout the Track II process.
- Regarding the Track I process, there are ongoing discussions taking place with Senator Perata's group and others and the Resources Agency will continue to track the progress of these efforts.

Administrative Matters

- Several new members will be added to the Advisory Group for this second track. AG members are invited to suggest additional members to the Resource Agency staff.
- A series of subcommittees will be formulated to address ongoing challenges

Undersecretary Karen Scarborough, Implementation of AB 857 Discussion

- Existing legislation, AB 857, is a potential conduit for integrating state goals. Presently, each department has 5 year infrastructure plans in place. This tool affords an opportunity for continued action around the concepts we've discussed.
 - Working Group (WG) could be assembled to assess consistency of different agencies' plans.
 - WG could report to the Governor to ensure consistency with planning priorities.
 - Regulations could be based on the WG recommendations to provide direction to state agencies.
 - Goal of this WG activity is to motivate state entities to consider AB 857 in planning priorities.

Discussion of Implementation of AB 857

- Regional plans are a significant tool for environmental protection. State recognition of regional plans to implement AB 857 would be a huge success. Need to encourage locals to amend their plans so that they fit with AB 857.
- The building/housing sector sees problems with AB 857. There must be a specific mechanism to prioritize the disbursement of limited state dollars, and AB 857 does not provide this mechanism. Housing is not mentioned in AB 857.
- The state must partner with regions around air quality requirements, housing and transportation needs, and water needs. Such coordination of state resources might be satisfied by an effective AB 857 implementation process.

Voluntary Smart Growth Regional Planning Discussion

- Regional goals must be captured.

- Need to encourage conversations between regional entities and the state to ensure the regional visions fit with the state vision.
- Planning priorities must include a strong public participation process.
- Regional planning may not work for communities that are most at risk. Local level concerns do not immediately translate to the regional level for poor, minority communities. A working group should be formed to examine how to bridge the gap between local and regional visioning. The CEQA process continues to serve as a key tool for engaging local community members.
- Regional planning should not be a substitute for site specific impacts that deal with contamination, air quality, etc.
- There is concern about rural large lot development that is taking place at a rapid rate. Farmland being developed is devoting 1/3 of all land to housing. There are over 1million acres of large lot (over 1 ½ acres per lot) being developed in rural parts of the state. This needs further discussion.

City Centered Growth/Development Discussion

- Ninety percent of the environmental challenges practitioners face take place in unincorporated areas.
- It is overly simple to think that city growth is good and county growth is bad. The unincorporated part of the state accounts for 18% of sales tax and population statewide. There has not been a proliferation of growth in unincorporated areas.
- It is important to keep in mind that counties have their own identities and will not be easily removed from the housing production process.
- There are county plans that could reconcile disparate planning procedures if adequate funding were put into place.
- Need to promote the concept of infill and refill recognizing that 8 million infill/refill parcels have been identified. These opportunities for development exist largely in low income communities. We have the potential to get construction jobs to local residents to rebuild and rehabilitate these parcels. Adequate housing relies on addressing the infill/refill issue.
- Land supply is key to getting housing.

PPIC's Discussion of Funding Proposals

There are two options for Track II funding that support integrated planning and minimize ill-effects of current system.

- Tax swap between cities and counties. County could levy tax county-wide. Cities relying on sales tax would benefit from property tax.
- Deal with K – 12 schools for sales tax on per student basis shifted to cities to make up loss of sales tax. Schools would have stake in outcome.

Key Challenges and Possible Solutions

- Local governments that accept infill projects gets money for infrastructure.
- Mello-Roos funding is primarily for large land owner use projects.
- Key issues include:

- How to provide incentives for communities willing to commit to infill development?
- What are the critical aspects of making infill work?
- Continue to clean the state's house and each year weed out incentives to sprawl and the disincentives to infill development.
- Ensure consistency with state agency plans.